

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NORTH DAKOTA

In re:)	
)	Case No. 23-30246
BOURBON STREET LLC)	(Chapter 11)
d/b/a La Cantina, et al)	Jointly Administered
)	
Debtor.)	

In re:)	
	)	Case No. 23-30247
PETRI ENTERPRISES, LLC	)	(Chapter 11)
	)	Jointly Administered
)	
Debtor.)	

In re:)	
	)	Case No. 23-30248
GANNETT PEAK, LLC	)	(Chapter 11)
	)	Jointly Administered
)	
Debtor.)	

**ALERUS FINANCIAL, N.A.'S OBJECTION TO CONFIRMATION OF SUBCHAPTER
V PLAN OF PETRI ENTERPRISES, LLC**

Alerus Financial, N.A., (“Alerus”) a creditor of the above-named debtors Petri Enterprises, LLC, and Gannett Peak, LLC, by and through its undersigned counsel, and hereby objects to the confirmation of Petri Enterprises, LLC’s Subchapter V Plan of Reorganization (“Petri Plan”) (Doc. No. 108), upon the following grounds:

1. Alerus objects to confirmation of the Petri Plan to the extent it would modify any mortgage, lien, or interest that Alerus has under its Mortgages and Assignment of Rents identified below:

- a. Mortgage dated April 12, 2019, from Mark D. Petri, a single person, to Alerus Financial, N.A., recorded with the Traill County Recorder on April 17, 2019, as

Document No. 191895, encumbering the real estate located in Traill County, North Dakota: Lots 19, 20, and 21, Block 27, of the Original Townsite of Mayville, Traill County, North Dakota.

- b.** Assignment of Rents dated April 12, 2019, from Mark D. Petri, a single person, to Alerus Financial, N.A., recorded with the Traill County Recorder on April 17, 2019, as Document No. 191896, encumbering the real estate located in Traill County, North Dakota: Lots 19, 20, and 21, Block 27, of the Original Townsite of Mayville, Traill County, North Dakota.
- c.** Mortgage dated May 19, 2022, from Wyoming Flatts LLC, to Alerus Financial, N.A., recorded with the Walsh County Recorder on May 26, 2022, as Document No. 300752, encumbering the real estate located in Walsh County, North Dakota: Lots 9, 10, 11 and 12, Block 11, Original Townsite of the City of Grafton, Walsh County, North Dakota.
- d.** Assignment of Rents dated May 19, 2022, from Wyoming Flatts LLC, to Alerus Financial, N.A., recorded with the Walsh County Recorder on May 26, 2022, as Document No. 300753, encumbering the real estate located in Walsh County, North Dakota: Lots 9, 10, 11 and 12, Block 11, Original Townsite of the City of Grafton, Walsh County, North Dakota.

2. Alerus objects to the extent that its claim is classified as unimpaired. The Petri Plan indicates that the third-party owned real estate likely exceeds the balance of the Alerus loan secured by the property, and that Petri Enterprises will honor its contingent liability by making rental payments. The terms of the promissory note and guaranty instrument in favor of Alerus from

Petri Enterprises indicates that the obligations of Petri Enterprises are not contingent and do not require any liquidation of collateral before Petri Enterprises is fully obligated on the entirety of the loans. Further, to the extent that the Petri Enterprises attempts to require that the payment of rent to Alerus would fully satisfy the obligations of Petri Enterprises under the guaranty, this likewise impairs Alerus's claim.

3. Alerus objects to the financial projections in support of the Petri Plan, as they contain an additional month beyond the plan term, reflecting the month of February 2026 twice. Additionally, Alerus objects to the retention of significant amounts of disposable income. Over the course of the Petri Plan, according to the financial projections, the Debtor will have disposable income in excess of \$40,000 that under the Petri Plan will not be paid to creditors.

WHEREFORE, Alerus respectfully requests that this Honorable Court issue an Order DENYING confirmation of the Gannett Plan; and for such other and further relief as this Court deems just and proper.

Dated: November 28, 2023

/s/ John D. Schroeder

JOHN D. SCHROEDER, ND ID #07147

Zimney Foster P.C.

3100 S. Columbia Road, Suite 200

Grand Forks, ND 58201

Phone: 701.772.8111 Fax: 701.772.7328

jschroeder@northdakotalaw.net

Attorneys for Alerus Financial, N.A.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NORTH DAKOTA

In re:)	
)	
BOURBON STREET LLC	)	Case No. 23-30246
d/b/a La Cantina, et al	)	(Chapter 11)
	)	Jointly Administered
Debtor.)	
)	
In re:)	
)	
PETRI ENTERPRISES, LLC	)	Case No. 23-30247
	)	(Chapter 11)
	)	Jointly Administered
Debtor.)	
)	
)	
In re:	)	Case No. 23-30248
	)	(Chapter 11)
GANNETT PEAK, LLC	)	Jointly Administered
)	
Debtor.)	

DECLARATION OF SERVICE

BRENDA R. DIPERSIO, a legal assistant in the office of Zimney Foster P.C., 3100 South Columbia Road, Ste. 200, Grand Forks, ND 58201, is of legal age and not a party to or interested in the above-entitled matter and declares, that on November 28, 2023, she served the following:

- 1. ALERUS FINANCIAL, N.A.'S OBJECTION TO CONFIRMATION OF SUBCHAPTER V PLAN OF PETRI ENTERPRISES, LLC**
- 2. THIS DECLARATION OF SERVICE**

to the people who are Filing Users, by automatic e-mail notification pursuant to the Electronic Case Filing System and this notice constitutes service.

And I declare, under penalty of perjury, that the foregoing is true and correct.

Dated: November 28, 2023 at Grand Forks, North Dakota

/s/ Brenda R. DiPersio
BRENDA R. DIPERSIO